

## Message Text

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PAGE 01 STATE 184501  
ORIGIN EB-08

INFO OCT-01 EA-07 IO-13 ISO-00 LAB-04 L-03 STR-04  
AGRE-00 CIAE-00 COME-00 INR-07 NSAE-00 SP-02  
TRSE-00 FRB-03 OMB-01 /053 R

DRAFTED BY EB/FTD:WBREW:HM  
APPROVED BY EB/ITP:WGBARRACLOUGH  
EA/PRCM - MVONBRIESEN(SUBS)  
LABOR - IKRAMER  
L/T - POLSON  
L/EB - CROH  
STR - MBSMITH (INFO)

-----125088 052223Z /65

O R 052150Z AUG 77  
FM SECSTATE WASHDC  
TO AMCONSUL HONG KONG IMMEDIATE  
INFO USMISSION GENEVA

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GENEVA FOR PHELAN

E.O. 11652:N/A

TAGS: ETRD, HK

SUBJECT:HONG KONG - US BILATERAL TEXTILE AGREEMENT.

REFS: (A) HONG KONG 9133 (B) STATE 181483 (C) STATE 182653

1. TELEPHONE CONVERSATIONS NIGHT OF AUGUST 4/5 BETWEEN  
DEPT OFF AND HONG KONG'S PETER TSAO HAVE RESULTED, WE  
BELIEVE, IN UNDERSTANDING WHICH FINESSES HK PROBLEM  
WITH PROPOSED LANGUAGE CHANGE IN ANNEX D OF NEW  
AGREEMENT. CHANGE IN PARA 7(B)(III) WAS ALSO COVERED.

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PLEASE DISCUSS CHANGES SET OUT PARAS 2 AND 3 BELOW WITH  
TSAO SOONEST; IF HE CONFIRMS HK ACCEPTANCE, CONGEN MAY  
EXCHANGE NOTE SET OUT IN REF B INCORPORATING THESE CHANGES  
AND OTHERS ACCEPTED IN REF C.

2. DO NOT RPT NOT NCLUDE CLAUSE "...PROVDDED THAT...  
SEPARATELY" IN ANNEX D (VISA LETTER); SENTENCE SHOULD

READ "THE CATEGORY OR CATEGORIES AND QUANTITIES IN THE SHIPMENT SHALL BE CORRECTLY INDICATED ON THE VISA".  
AT END OF PARAGRAPH 11(B) OF DRAFT AGREEMENT, AFTER "...SET OUT IN ANNEX B SHALL BE APPLIED", ADD "EXCEPT THAT FOR INDIVIDUAL CATEGORIES 333 AND 334 THE CONVERSION FACTOR SHALL BE 39.5 SQUARE YARDS EQUIVALENT PER DOZEN,

FOR INDIVIDUAL CATEGORIES 633 AND 634 THE CONVERSION FACTOR SHALL BE 40.6 SQUARE YARDS EQUIVALENT PER DOZEN, AND FOR INDIVIDUAL CATEGORIES 638 AND 639 THE CONVERSION FACTOR SHALL BE 15.5 SQUARE YARDS EQUIVALENT PER DOZEN.

3. IN PARA 7(B)(III), INCLUDE TERMS "OR SUB-LIMIT", MAKING CLAUSE READ "...SHALL NOT BE USED TO EXCEED ANY APPLICABLE SPECIFIED LIMIT OR SUB-LIMIT EXCEPT IN ACCORDANCE WITH PARAGRAPH 6...".

4. DURING TELEPHONE CONVERSATIONS, DEPT OFF HAD SUGGESTED CONVERSION FACTOR OF 15.9 SYE8Z FOR CATS 638 AND 639; UNDERSTANDING WITH HK WAS BASED ON THIS NUMBER. REVIEW OF CALCULATIONS SHOWS, HOWEVER, THAT CORRECT CONVERSION FACTOR, COMPUTED ON WORLD-WIDE BASIS, IS 15.5 SYE/DOZ, AS INCLUDED IN PROPOSED LANGUAGE IN PARA 2. ALTHOUGH WE HAVE NOT DISCUSSED THIS NUMBER WITH TSAO, WE BELIEVE THAT HE SHOULD BE ABLE TO ACCEPT IT, SINCE LOWER LIMITED OFFICIAL USE

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CONVERSION FACTOR IS TO HONG KONG'S ADVANTAGE. PLEASE ENSURE THAT TSAO IS AWARE OF THE CHANGE FROM WHAT HAD BEEN DISCUSSED EARLIER.

5. DEPT VERY MUCH APPRECIATES THE EFFORTS, COOPERATION AND FORBEARANCE OF CONGEN IN THIS COMPLEX (A WHAT MUST HAVE APPEARED CONFUSING) EXERCISE. CHRISTOPHER

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NNN

## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TEXTILES, AGREEMENTS  
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**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Review Withdrawn Fields:** n/a  
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**TAGS:** ETRD, HK, US  
**To:** HONG KONG  
**Type:** TE  
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**Review Markings:**  
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